

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 03 PANAMA 000651

SIPDIS

SENSITIVE

DEPT. FOR WHA/CEN/BRIGHAM AND USOAS/SNEFF

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [PINR](#) [PM](#) [POLITICS](#) [FOREIGN](#) [POLICY](#)

SUBJECT: MORE SECRETS, A DEBATE, AND ANOTHER POLL SHOWS  
TORRIJOS WITH A BIG LEAD. PANAMA ELECTION COUNTDOWN #7: 6  
WEEKS TO GO

REF: A. PANAMA 0613

[B](#). PANAMA 0564

[C](#). PANAMA 0301

SUMMARY/COMMENT: REMARKABLY UNREMARKABLE

-----  
[1](#)1. (SBU) Local press meticulously covered former President Ernesto Perez Balladares' unexpected disclosure of discretionary expenditures during his presidency (1994-99), tied to the ongoing battle between Electoral Prosecutor Gerardo Solis and President Moscoso. (Reftels A & B). A March 16 presidential debate focused on the four candidates' plans to address unemployment, corruption, the administration of justice, and Panama's ailing Social Security Fund, but broke no new ground. Diplomatic community representatives are skeptical about OAS election observation plans, citing Panamanians' ambivalence about the election and solid track record for peaceful balloting. Finally, La Prensa published an opinion poll on March 15 showing Martin Torrijos (PRD) still far ahead with 47%, followed by Guillermo Endara (Solidarity) at 29.5%, Jose Miguel Aleman (PA) creeping up and staying out of single digits at 13%, and Ricardo Martinelli at 7.5%. According to PolOffs' discussions with a wide range of Panamanians and diplomats, neither group believes that the candidates have addressed the country's most pressing problems in a serious way. In a country where politics is a national sport, none of the candidates has touched a cord among the electorate. End Summary/Comment.

ANOTHER INSTALLMENT OF THE NUMBERS GAME

-----  
[1](#)2. (SBU) Panamanians do not appear to be avidly following the ongoing electoral campaign. On March 15, La Prensa published an opinion poll showing Martin Torrijos (PRD) at 47%, Guillermo Endara (Solidarity) at 29.5%, Jose Miguel Aleman (PA) at 13%, and Ricardo Martinelli at 7.5%. Respondents are not aware either of the professional background or vice-presidential running mates of the presidential candidate for whom they plan to vote. Endara's background was "best" known, but 59.2% of respondents who stated they intend to vote for him were unable to identify what he studied in the University. The figures were grimmer for Aleman (77%), Martinelli (75.6%), and Torrijos (74.7%). Corresponding figures for those unable to name the running mates of the candidate for whom they intend to vote were: Torrijos (56.9%), Endara (59.6%), Aleman (71.8%) and Martinelli (83.3%). In the unfavorable category, Aleman continues as the candidate for whom the most Panamanians say they would definitely not vote, with 39.5% of respondents dismissing his candidacy.

I SHOWED YOU MY CARDS. WHAT ABOUT YOURS?

-----  
[1](#)3. (SBU) Former President Ernesto Perez Balladares (EPB) jumped into the press circus over President Moscoso's refusal to reveal discretionary expenditures to Electoral Prosecutor Gerardo Solis. EPB's records of discretionary expenditures during his Presidency appeared on the front page of the El Panama America newspaper March 16. The March 17 El Panama America detailed EPB's expenditures, including payments to former President and current Solidarity Party Candidate Guillermo Endara. Embassy will research those payments and report any substantive findings septel. Noting correctly that EPB had not provided complete records, an angry Moscoso sarcastically told a television reporter that she would gladly do the same, but only five years after leaving office. Ironically, before EPB appointed him as Electoral Prosecutor, Gerardo Solis was involved in managing the Presidency's discretionary funds.

SLOPPY DEBATE MANAGEMENT

14. (SBU) A consortium of print and television media collaborated with the Panamanian Foundation for Ethics and Civism to produce and broadcast the second of three debates between Panama's four presidential candidates. A panel of four print and television journalists sitting at a small conference table queried the candidates on what they would do to address unemployment, corruption, the administration of justice, and Panama's ailing Social Security Fund. Unfortunately, debate moderator Father Manuel Santiago Blanquer failed to control the interaction, allowing candidates' outbursts to become mini-monologues. Nor did Blanquer accurately monitor the 90-second time allotment for each candidate, erring most often in Martin Torrijos' favor and twice interrupting Jose Miguel Aleman when he was entitled to more time.

#### MORE SLAMS THAN PROPOSALS

15. (SBU) Candidates failed to offer concrete proposals about what they would do if elected, offering only vague promises about how they would reduce unemployment, the most common concern among Panamanians. All four candidates agreed that developing the tourism sector would help combat unemployment. While Martinelli recommended reforming the Labor Code, thus spurring micro-entrepreneurs to hire new employees, Aleman said the key was education, Torrijos focused on training, and Endara insisted on reducing corruption to attract job-creating foreign investment. All four candidates waffled in response to a follow-up question on whom they would fire when they took office, stating only that they would get rid of inefficient or unnecessary staff.

16. (SBU) When the topic switched to means for ensuring the judicial branch's integrity and a fair administration of justice, Aleman attacked Endara for not reforming the constitution during his presidency (1989-94). Endara rejected the claim, pointing out he only respected popular will when Panama's voters rejected his constitutional reform proposal in a 1992 referendum. The four candidates all said that no one should be above the law and Martinelli brashly stated that justice can be bought in Panama. Torrijos' response to both the initial and follow-up questions was to criticize the manner in which President Moscoso selected Supreme Court Magistrates loyal to her, implying that they were obedient to her thereafter. On previous occasions, all four candidates have advocated reforms to de-politicize the selection process for Supreme Court Justices. (NOTE: A subsequent poll claimed that Torrijos had "won" the debate, although the statistics suggested that opinions broke down according to party preferences. END NOTE.)

#### LOOK AT ME! I'M THE MOST TRANSPARENT

17. (SBU) Having announced his plans during the March 16 debate, Aleman presented a sworn declaration of his assets to the Ombudsman's office on March 18. Jose Miguel Aleman's challenge to his opponents to do the same serves three purposes. First, Aleman's move helps him question the wealth of campaign front-runner Martin Torrijos of the Revolutionary Democratic Party (PRD). Second, due to the PRD's alliance with the Partido Popular (PP), the declaration is a jab at Ombudsman Juan A. Tejada and several of his chief lieutenants, all former PP activists, in retaliation for their persistent complaints about President Moscoso's lack of transparency. Finally, being more transparent than Moscoso is part of Aleman's thus far unsuccessful effort to distance himself from her, so Torrijos can no longer accuse him of "hiding behind her skirt" as he did during the debate. (NOTE: Presidents and cabinet-level Panamanian officials must submit such a statement to the Comptroller General upon entry and departure from office, but the requirement does not extend to candidates. END NOTE.)

18. (SBU) CD candidate Ricardo Martinelli lists his campaign contributors on his website, a pledge he made when he began campaigning. While trying to prove his credibility as someone who would fight corruption from the Presidency, Martinelli stated during the March 16 debate that corruption starts with campaign donors expecting something in exchange for their contribution. Although both other opposition candidates have approached the Embassy regarding questionable campaign donors, only Martinelli has published a list on the internet. Critics would say that Martinelli has nothing to lose by publishing his list of donors as he has little chance of winning Panama's May 2 election. Nonetheless, while not enough to put him over the top, Panamanians welcome Martinelli's transparency when it comes to campaign donations. Martinelli was also the first candidate to formally present an anti-corruption plan to Panama's chapter of Transparency International, which Aleman did this week.

#### WHY WOULD OAS OBSERVE PANAMA'S ELECTION?

9. (SBU) Several diplomatic missions to Panama share this Embassy's skepticism about the need for external OAS election observers, expecting a free and clean vote. OAS' Panama office contacted foreign diplomatic missions in Panama, as well as local IDB and UNDP offices during the week of March 8 on behalf of the OAS Unit for the Promotion of Democracy (UPD) to request funds (reftel A) and convoke a March 17 coordination meeting. UPD proposed a \$130K budget for a short-term observation mission consisting of 8 OAS experts (elections, IT, training, etc.) and 12 foreign observers. UPD representatives at the meeting explained that their proposed mission would fit a new model, that of extracting helpful lessons from Panama's electoral process to apply elsewhere. The breadth and scope of the mission will depend on the sum of contributions. So far, Brazil has contributed the only funds in the pot, \$10,000.

10. (SBU) Representatives of several diplomatic missions, including Mexico, Japan, and Argentina, all noted that they would prefer to observe Panama's elections at the invitation of the Electoral Tribunal rather than as part of an official OAS delegation. Diplomatic representatives present at the March 17 meeting were not concerned about any election-related problems arising in Panama. For instance, though not present at the meeting, the British First Secretary for Political Affairs will be on vacation during

SIPDIS  
the elections. Officials from the Japanese Embassy contacted our Pol Counselor after the meeting to inquire about the USG's position on the election, including funding external observers. Pol Counselor responded that Embassy is confident that the electoral process will continue without major hiccups and it is unlikely that the USG would fund an OAS observer mission.

11. (SBU) Embassy will not join the OAS official observer delegation, but plans to send some 26 mission members to observe the elections. We plan to coordinate geographic coverage with OAS and other diplomatic missions via an e-mail usergroup, checking in with the OAS control center periodically on election day for any breaking news. This approach appears to mesh with the plans of other diplomatic missions with smaller presences in Panama, whose work as observers will be primarily a vote of confidence in the Panamanian system. Furthermore, none of the diplomatic representatives at the March 17 meeting welcomed the OAS suggestion that Embassies should encourage their citizens residing in Panama to observe the May 2 elections. Between the Ombudsman's Office (300) and the Catholic Church's Peace and Justice Commission (1200), approximately 1,500 Panamanians will also volunteer to observe Panama's elections, which we believe is adequate coverage.

WATT